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COVER STORY Julia Nekich

The price is right

Hundreds of unsold inner-city designer apartments offer new hope to young buyers.

First-home buyers looking for Sydney property under the golden \$500,000 mark don't need to rush to the outer suburbs or settle for old units in need of renovation. The abundance of stock means there are many designer apartments in new developments at prices well within the budget.

Most of the apartments sold off the plan in the past few years are either complete or nearing completion. Many were originally built with investors in mind, but with houses often out of reach for first-home buyers, some are being snapped up by owner-occupiers who want a home close to the city.

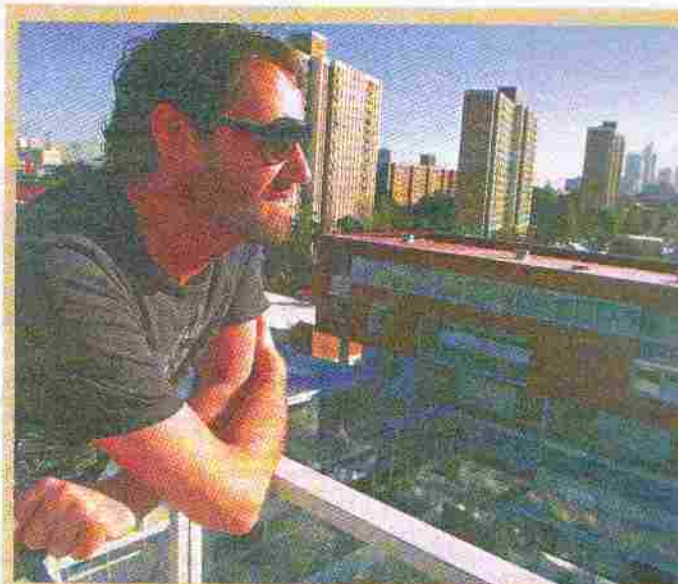
Brand-new apartments can be found in developments at Green Square, in the city south, Pyrmont and Ultimo. Hundreds remain unsold. So, apart from the obvious drawbacks of location, less maintenance and stylish finishes, what can first-home buyers expect from a brand-new apartment in Sydney? We took a look at two very different developments that are almost complete.

2 ELIZABETH BAY ROAD, ELIZABETH BAY

Originally the Gazebo Hotel and now just called 2 Elizabeth Bay Road, this iconic 18-storey building, and the 10-storey Court behind it, has been converted into 162 apartments by Syd Fischer's Australian Development Corporation Group. "This is the last of the eastern suburbs hotels to be made into residential apartments," says Murray Wood, of Colliers International.

The Gazebo was Australia's first circular tower, built in 1968. Its transformation into apartments began four years ago but has been subject to union disputes, halting work on the site more than once.

Burley Katon Helliiday was called in to redesign the Tower and Court, but the project is being completed by Kann Finch Group. A licensed restaurant with 100 indoor and 100 outdoor seats has been approved for the Tower's basement.



Surrender at Waterloo... Scott Sloane is rapt with his new home at W5.

Photo: Tim's Lens

MORE FOR THE MONEY

Scott Sloane bought into W5 just three weeks ago.

"I wasn't necessarily looking for a new apartment, but I wanted something within my price range - under \$500,000," the first-home buyer says.

Sloane lives at Potts Point and is the owner of two Sydney hair salons. He says he initially wanted to buy in his own area. "I said to myself that I wouldn't look further than Surry Hills, but I wasn't happy with what I found.

"Then I started looking behind Surry Hills, in Redfern. Some friends in Waterloo said I should take a look at W5."

Danks Street, and nearby cafés and bars such as Wah Wah Lounges, were big drawcards.

So was the two-bedroom, two-bathroom, split-level apartment he found at W5. "It has a really good feel. There's the northern aspect and glass sliding doors, so you can enjoy indoor-outdoor living."

Sloane went over his budget in paying \$550,000, but he saved about \$9000 in stamp duty (meaning he paid stamp duty of \$11,000), while the First-Home Owner Grant cut the bill by another \$7000.



Iconic rebuild... the former Gazebo Hotel, now known as 2 Elizabeth Bay Road, with The Court next door.

First-home buyers looking to buy for less than \$500,000 aren't likely to call the Tower home. Of the one-bedroom apartments, two remain and they start at \$500,000. But in the Court (the interior is still under construction) you can buy a 40 sq m studio apartment with a 13 sq m terrace from \$310,000, or a 63 sq m one-bedder with a media room and balcony from \$385,000.

Court apartments come with granite benchtops, stainless steel splashbacks and a Fisher & Paykel oven and dishwasher.

It's a pet-friendly development and there are water views from some apartments on the top five floors. Court residents have use of the pool, gym and sauna in the Tower. Of the 60 remaining Court apartments, about half are under \$500,000.

All of the apartments went on the market in 2001, but more than half remain unsold. Residents are due to move into the Tower next month and into the Court by the end of the year.

"The vacancy rates in Elizabeth Bay are deemed to be the lowest in Australia (about 2.5 per cent)," Wood says. He says this makes the area attractive to owner-occupiers.

About 35 per cent of buyers at 2 Elizabeth Bay Road are first-home buyers, Wood says. "Singles, 25 to 35 years old, are buying many of the one-bedrooms."

Wood says there have been some resales in the Tower, including a one-bedroom that sold for \$40,000 more than the original purchase price. **FOR** The location and the joy of living in (or near) an iconic building. A pool, spa, gym and sauna.

AGAINST Affordability in the Tower - there are cheaper options in the Court. The Tower's shape makes for oddly shaped apartments - although for some this might be an attraction.

For more information, contact Murray Wood at Colliers International, 9257 0346.



Urban revival ... W5 in Waterloo offers loads of room with the best in contemporary design and fittings.

WAREHOUSES, WATERLOO

If you're willing to settle for a less glamorous location with a promising future, there are larger, yet more affordable, apartments at Warehouse5 (W5) at 12 Danks Street, Waterloo. Once heavily industrial, Waterloo is undergoing a residential revival. New residents are attracted by the area's cafes and bars, such as Danks Street Depot, Wah Wah Lounge and Fratelli Fresh.

W5 is almost completed and residents are beginning to move in on the lower floors. Once a joinery warehouse, this 5000 sq m development, designed by Crone Nation, is five interconnected buildings set around a garden and courtyard. A public walkway through the courtyard connects Phillip and Danks streets on either side. Each building has a different design, but all hint at the area's industrial feel, with facades in galvanised steel, serrated-edge concrete and aluminium.

Of 127 apartments 90 per cent face north. Each comes with generous outdoor space - the smallest balcony is 21 sq m.

About half of the apartments were sold off the plan in the three months after the February 2003 release, says Caroline Fagerlund from Colliers International. "Most buyers are owner-occupiers who were already living in the area. We estimate that a third are first-home buyers," she says.

Many of the 35 apartments remaining are priced below \$500,000. Seven one-bedroom apartments

(67 sq m) are priced from \$345,000, and 11 one-bedrooms with a study (77 sq m) and car space, from \$445,000. Each apartment comes with a Smeg oven and cooktop, Fisher & Paykel dishwasher and stainless steel benchtops. There are also 17 two-bedroom, two-bathroom (113 sq m) apartments (a mix of single- and double-storey) with car space, from \$515,000, which will still give first-home buyers concessions on stamp duty.

A one-bedroom apartment in W5 with a study and two bathrooms, bought for \$410,000 in March 2003, recently resold for \$470,000. Another recently resold for \$385,000, the same price paid in 2003.

FOR The apartment layout feels like a house. Many are a split-level design with two balconies and wall-to-wall glass sliding doors facing north. **AGAINST** Waterloo still has an industrial feel and won't appeal to everyone. No pets.

For more, call Caroline Fagerlund at Colliers International, 9257 0321.

WHAT TO LOOK FOR

"New apartments aren't necessarily desirable to buyers just because they are new," says Rowen Kelly, president of the Real Estate Institute of NSW.

"Fresh paint and new finishes won't necessarily save an apartment if its design is poor, its ceiling height very low, and quality of materials are poor."

Look for quality finishes, Kelly says. They will wear well and often cost less in maintenance.